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57-2044
OGC/B-7567

24 June 1957

MEMORANDUM FOR: Assistant Deputy Director (Support)

SUBJECT : Mr. [redacted] 25X1

REFERENCE : Memorandum, Subject as Above, from Chief of Operations, DD/P, to Deputy Director (Support) June 3, 1957

1. By notation on the routing slip accompanying reference, you have requested my views on this latest paper on the subject, Mr. [redacted] memorandum of June 3, 1957, with which WH and I&R have concurred. 25X1 25X1

2. The pertinent regulation [redacted] prohibited transactions of this type but provided that in "extreme and warranted cases when a security implication is prevalent, requests for such advances must be submitted to Headquarters for approval." The quoted regulation does not indicate the Headquarters officials who may approve. Paragraph 9a of Regulation [redacted] authorizes the DD/S to approve certain expenditures when "authority is not otherwise specifically provided in Agency regulations." In our opinion, approvals contemplated in the above quotation from [redacted] could have been ([redacted] has been repealed and replaced by another regulation) granted by the DD/S pursuant to paragraph 9a. 25X1 25X1 25X1

3. This Office has taken the position that the expenditure of confidential funds is a matter for approval by the DCI, either by regulation or in individual cases. Ordinarily we would regard retroactive approvals as items which are not authorized by regulation and hence require the DCI's approval. However, we would understand from Mr. [redacted] memorandum that if a timely request from Mr. [redacted] based on the information then known to Mr. [redacted] had been received, the DD/P would have recommended approval, this because of the security and operational aspects of this case and the security and operational responsibilities placed on Chiefs of Station. Although we are not unmindful of the dangers inherent in retroactive approval, nor of those in applying the cloak of security, we would think that 25X1 25X1 25X1

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In the circumstances of this case and in view of the position taken by the Chief of Operations, the fact of retroactivity need not serve to necessitate DCI approval. It is our opinion therefore that the DD/S may approve the recommendation.

25X1

4. Mr. [redacted] memorandum identifies the two amounts as $1,000.00 for surgery and $200.00 for income taxes. My memory is that there was one advance of $1300.00 which [redacted] indicated was 25X1
to be expended, $1,000.00 for surgery and $300.00 for taxes. See paragraph 6 of Tab B. Payment of the first of thirteen $100.00 promissory notes was then made, reducing the debt to $1200.00. If these are the facts it would seem proper to apply this repayment 25X1
against the obligation for which [redacted] is held, rather than the
25X1 one for which [redacted] is held. The amounts, therefore, would be $900.00 and $300.00 respectively.

5. Reference and attachments are returned herewith.

[redacted] 25X1

Assistant General Counsel

Enclosure

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